

# ECA UPDATE

## November 25, 2015



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*ECA Staff*

**Procurement of Parts and Materials for the Waste Treatment and Immobilization Plant at the Hanford Site**  
*DOE-Office of Inspector General Audit Report*  
November 17, 2015

A report by the DOE Office of Inspector General found that Bechtel National Inc. (Bechtel) procured approximately \$4 billion in parts and materials through the end of FY2014, and ensured that procured parts and materials meet requirements to support construction of the Waste Treatment and Immobilization Plant (WTP). To satisfaction, Bechtel developed several controls to include verification of vendor design submissions, review of the manufacturing or fabrication process, and receipt inspection and testing, developing procedures to resolve nonconforming items and recover costs from vendors.

The Department of Energy and its contractor had not always effectively executed procurements and material management activities at the Office of River Protection. Specifically, Bechtel did not always identify nonconforming items resulting from vendor errors in a timely manner, resolve issues with nonconforming items in a timely manner after they were identified, or recover the costs for resolving nonconformances from vendors when

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### **Events of Interest**

**November 21- 29**

House and Senate Thanksgiving recess. House

the problems were the result of vendor errors.

The report found that these problems were caused by weaknesses in Bechtel's quality assurance program. Although Bechtel had procedures in place to prevent or identify nonconforming items, procedures were not always performed effectively. Additional weaknesses included: Bechtel's failure to effectively implement corrective actions, a lack of timelines for resolving nonconformances, and inadequate Federal oversight over Bechtel's cost recovery processes for nonconforming items.

See a full copy of the report [here](#).

### **Management Challenges at the Department of Energy – Fiscal Year 2016**

*DOE-Office of Inspector General Special Report*  
November 16, 2015

The Office of Inspector General annually identifies what it considers the Department of Energy's most significant management challenges in an effort to enhance the effectiveness of programs and operations.

While FY2016 challenge areas remain consistent with previous years, some notable changes in emphasis have been made including: Contract Management, Cybersecurity, Environmental Cleanup, Nuclear Waste Disposal, Safeguards and Security, Stockpile Stewardship, and Infrastructure Modernization.

See a full copy of the report [here](#).

### **Congressional Letter from Martin Heinrich (D-NM) to Lieutenant General Frank Klotz**

*ECA Staff*

Please find a [letter](#) from Senator Martin Heinrich (D-NM) to Lieutenant General Frank Klotz regarding their recent meeting. Senator Heinrich reiterated his concerns with NNSA's implementation of the Supply Chain Management Center (SCMC) and its impact on New Mexico's local economy.

recess begins Nov. 20.

### **November 30**

Office of Management and Budget returns amended budget requests to federal agencies for FY17, known as budget passbacks (estimate).

Final budgets will be submitted to Congress on Feb. 1

### **December 11**

Continuing Resolution expires, Deadline to pass an Omnibus appropriations bill or extend the CR.

